

CSNA NEWS



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CSNA TIP OF THE MONTH

VAT changes mean extra administrative work in advance of 1 January

By now retailers are aware that newspapers will be changing their VAT status from 9% VAT to 0% on 1 January.

What this means for retailers that scan the products is that each title will have a different barcode applied to each edition.

The CSNA has been supplied with the new barcodes and will make them available presently.

It is the intention of each of the publishers to continue to use the same RSP cover price after the VAT has been removed.

In all instances, the wholesale prices will be increased to enable the publishers recoup "their" VAT.

This increase may lead to some retailers migrating from one Carriage Charge Band upwards to another, if and when the distributors change the rates. It is therefore only fair that all news retailers will be able to avail of "their" element of the VAT, effectively increasing the cash margin earned, while continuing to enjoy the existing agreed percentage terms.

Naturally, as you are all aware, the determination of the retail selling price is a matter for each individual retailer.



Newspapers will change their VAT status from 9% to 0%, from 1 January onwards

PRESIDENT'S OPINION

Latte Levy: CSNA asks Minister to clarify queries surrounding hot drinks

The following queries and observations have been submitted to Minister of State Ossian Smyth by CSNA CEO Vincent Jennings, regarding the workings of the 'Latte Levy', due to commence in April 2023:

"Minister, can you provide an answer to the following question: If I read the legislation correctly, the initial proposal is to apply a levy on single-use disposable cups. Is this limited to those cups containing hot drinks?"

If this is correct, and it is related to hot drinks, can you advise me on the status of those cups that are provided by retailers that contain soup; are they exempt from collecting the levy given the general principle that understands soup to be a food, and as such, is considered to be "eaten", rather than "drunk".

It is very likely that retailers make use of these cups for a multitude of purposes rather than solely for the sale of coffee, tea, or hot chocolate. Has Revenue been fully appraised on the limitations of scope due to be contained in the regulations?



The CSNA has asked Minister Ossian Smyth to advise the association on the status of single-use cups that are provided by retailers to contain soup

I understand the scheme is expected to commence in April, can you arrange for your Department's communication section to provide us with a series of explanatory notes designed to assist us in ensuring compliance?

While there were limited instances of unregistered outlets supplying plastic bags without charging the levy when it was introduced all those years ago, we did not, as an industry, feel threatened by such "outliers" but would be far more concerned if there was to be a proliferation of businesses avoiding their obligations and achieving an "edge"

over their compliant competitors. Is it the intention of the Department to seek evidence of compliance in charging the levy by having inspectors "in the field"?

Can you outline what steps the Department will take to encourage compliance please.

As representatives of over 1,500 businesses, the overwhelming majority of which sell hot drinks, we will rely upon your Department and your approved collection body to ensure a smooth delivery of the project; as such we are more than willing to assist you in this important task."

CSNA NEWS

Tobacco: How significantly do duty-free products from the UK affect official data?

The CSNA has for quite some time been trying to get answers from Revenue regarding what we consider to be an unusual statistic in its annual analysis of the illicit consumption survey.

The figure used by Revenue for 2021 was that 8% of the total amount of cigarettes consumed in Ireland had been purchased outside the State without Irish duties applied. This is a separate figure, and entirely different from the 13% of tobacco products that are purchased illegally in Ireland; the products having been smuggled, like those recently uncovered in Rosslare.

As the previous year that the survey was carried out (2019), this figure was 9%, we wondered how the figures were so alike given the

travel restrictions that pertained throughout much of 2021. The answer given was that the survey is carried out each year at the latter (Q4) part and most travel restrictions were not in place. We are not entirely convinced the answer provided stacks up with the facts; travel restrictions and usage were significantly lower in 2021. One area that Revenue is not prepared to consider, is the volume of duty-free from the UK. We requested that a specific question is included on this in the annual survey, but Revenue is not so disposed.

In our opinion, it's hard to quantify a problem unless you obtain the necessary data, perhaps the request would have brought up some uncomfortable truths!



The CSNA has requested that Revenue includes a specific question on duty-free products from the UK, in the annual illicit consumption survey

IF YOU WISH TO **JOIN THE CSNA**,
PLEASE CONTACT THE ASSOCIATION ON **045 535050**



CSNA NEWS

CSNA seeks assurances from NTA on Leap Cards

The CSNA has written to National Transport Authority (NTA) CEO Ann Graham seeking assurances on Leap Cards.

CSNA CEO Vincent Jennings' letter is shown below:

"I am writing to you to request that you consider the following salient matters regarding the sale of Leap cards in our members' stores throughout the country, but primarily in Leinster and urban outlets.

You are aware from a previous communication that the terms and conditions that PostPoint/An Post are suggesting our members must accept are substantially inferior to those currently enjoyed by those selling the top ups through the Payzone contract.

You are also aware that the government approved a reduction in fares but that this reduction will no doubt be reversed. We have analysed the commissions earned by our members in both October 2019 (when fares were higher, more people were commuting more frequently to work and college, etc) and October 2022. In 2019, the average commission earned across the 450 stores we surveyed was 50 cent per transaction, with many retailers earning more than €3.50 on some individual high-value transactions. Due to the temporary reductions, the average commission has reduced to 39 cent and we are also reporting reduced Leap Card top-up sales.

You don't need to be particularly perceptive to understand that a

"take it or leave it" directive from PostPoint/An Post that the commission paid by them will be restricted to 24 cent per transaction is manifestly inferior to the existing compensation that all of our members currently enjoy through Payzone.

Payzone already has a network in place, why on earth would it be considered fair or reasonable for Postpoint/An Post to seek monies in the form of up-front €500 "deposit", to assist cabling and internet investment and to insist on fewer terminals, effectively ensuring sub-standard customer service.

The deposit is non-refundable and will only be returned if the retailer terminates the contract; this is not the norm for the overwhelming number of our suppliers and is not, I assure you, a requirement of Payzone for the provision of Leap cards.

CSNA would suggest that there are no pressing commercial reasons that necessitate the exclusion of Payzone from being permitted to continue to supply to our members.

We cannot accept that a truly competitive tendering process could have taken place that sought the removal of a supplier and the addition of a different one unless there were no considerations given to ensuring that any public funds expended in the process did not lead to losses for retailers and reduced availability to the public.

Many of our members have PostPoint terminals and will be offered the opportunity to sell Leap



According to the CSNA, the average Leap Card commission has reduced to 39 cent

cards through their existing terminals, we obviously welcome this but find it unusual that it is considered good value for money to extend the offering to all existing Payzone outlets and their customers in addition to all Post offices and Postpoint outlets.

We are given to understand that the contract with An Post is not exclusive and that the NTA has the authority to appoint more than one provider. From our discussions with Payzone, it is clear that it is willing to remain as a supplier, even if NTA chooses to retain An Post.

With regards to An Post/PostPoint, while we obviously are not privy to any (if there were any) promises or assurances that they may have given NTA to show their ability to continue to sell Leap card top-ups through the existing network, I think it only fair to state, quite categorically, that there will be very few existing Leap agents in

Dublin, Cork and Limerick who will be prepared to accept the PostPoint/An Post terms and conditions. This will obviously impact on the commuter in a negative way, as you are no doubt aware that Dublin in particular does not have a large number of convenience outlets with a PostPoint agency.

You may wonder why retailers would wish to discontinue sales of a product that returns revenue into their business and the answer is that they refuse to accept that they should be treated in what they consider to be an unfair and underhanded manner.

From CSNA's perspective, we are always very wary of companies seeking to apply dissimilar terms in contracts of equivalence or where there would appear to be a contempt shown by a supplier for the work involved in providing a physical retail outlet."

CSNA OPINION

Tánaiste proves himself to be "tone deaf" to plight of employers

In the middle of what every commentator within the retail industry acknowledges to be the most serious crisis affecting the sector, isn't it astonishing that the response from the Tánaiste and Minister for Enterprise, Trade and Employment, Leo Varadkar is to issue a press release announcing the four-year pathway to an (estimated) €13.10 per hour Living Wage (LW)?

This is the figure (that has already been amended twice) that

is believed to be 60% of the hourly median rate. The CSNA believes this is absolute pie-in-the-sky economic guesswork and is not consistent with any data held by either CSO or Revenue.

If and when the Low Pay Commission invites representative bodies to meet and discuss the methodology that will be employed to calculate the LW (as is their duty), CSNA will argue strongly against the inclusion of a base wage rate being employed

that is not indicative of "real" wage rates in our sector.

A national median wage includes bonuses and overtime, includes the hundreds of thousands of public servants and those employed by multinational corporations, the presence of which has the effect of increasing the median rate significantly.

This issue is far too important to be used by the politicians as part of a popularity contest. ■



The CSNA will argue strongly against the inclusion of a base wage rate being employed that is not indicative of "real" wage rates in our sector